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# City of San Antonio

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# City of San Antonio

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## *Executive Summary*

Prior to the commencement of the biennial Legislative Session, the City of San Antonio identifies legislative priorities that need to be addressed by the Texas Legislature. In July, the City's Government Affairs Team began working with the City Council Intergovernmental Relations Committee, City Departments and agencies, Texas Municipal League and the community to identify issues for the upcoming Legislative Session. The initial draft of the Legislative Program was reviewed by the City's Management Team in August and the City Council Intergovernmental Relations Committee in September and is being recommended for consideration by the full Council.

The 78<sup>th</sup> State Legislature is expected to consider issues that pose significant challenges to municipal authority and consequently, much of the focus of the City's legislative effort will be given to the defeat of legislation that would be detrimental to the City's interests, especially legislation that would: 1) erode its annexation powers, 2) weaken its authority over zoning and permitting, and 3) diminish its ability to use economic incentives to attract and retain new or expanding businesses.

The Texas Legislature will be focused on the state deficit - estimated to be at least \$5 billion for the biennium. The shortfall has been driven by increases in health care costs for teachers, Medicaid recipients and those enrolled in the Childrens' Health Insurance Program. In addition, the slumping economy has been blamed for declining sales tax revenues, which makes up a significant portion of the state budget. The next session of the legislature is expected to be a delicate balancing act between the state's policy priorities and the availability of revenue to fund them.

As first utilized in the 77<sup>th</sup> Legislative Session, the City's legislative program is organized in two distinct issue categories. The first category is *Legislative Initiatives*. A legislative initiative will be actively supported through drafting legislation, finding a sponsor, providing testimony, and otherwise actively pursuing passage. A legislative initiative must meet one of the following three criteria: (1) the initiative is San Antonio-specific, (2) the initiative addresses an issue where San Antonio is disproportionately affected, or (3) the initiative is universal in effect, but to ensure success, San Antonio must take primary responsibility. The second category is *Legislative Endorsements*. The City will not play a primary role, but will make known its support of issues in this category.

Throughout the Legislative Session, the City Council Intergovernmental Relations Committee will meet regularly to review the City's priorities and receive updates from the Government Affairs Team on pending legislation. The City Council Intergovernmental Relations Committee is chaired by Councilwoman Bonnie Conner and includes Council members Bobby Perez, Toni Moorhouse, Carroll Schubert and David Carpenter. As additional legislative issues of interest to San Antonio arise during the Session, the Committee will review such legislation and submit recommendations to the full Council for consideration. The City's Government Affairs Team is coordinated through the External Relations Department and includes the City Manager's Office, representatives from all City Departments and the government affairs firms of Christopher S. Shields, P.C., Marc A. Rodriguez, and Denton, Navarro & Bernal.

## Section I – Legislative Initiatives

### *Advanced Transportation District*

#### **Proposal:**

To expand the purposes for which local option sales tax revenues can be used for advanced transportation districts.

#### **Background:**

In 1999, the Texas Legislature passed Senate Bill 769 (Madla) allowing the board of the VIA Metropolitan Transit Authority to call an election to create an advanced transportation district within the authority's boundaries and to impose a ¼-cent sales tax the district could use for advanced transportation purposes. The bill defined advanced transportation to include light rail, fixed guideways, high-occupancy vehicle (HOV) lanes, commuter rail, traffic monitoring systems, and other facilities and services, including planning and feasibility studies. In May of 2000, city voters rejected formation of such a district while also defeating a light rail proposal.

The following legislative session, SB 782 was filed by Senator Madla to expand on the types of projects an advanced transportation district could spend tax revenue. The bill enabled VIA to build a reserve of money that could be used for matching funds so that in the future the transit authority would be eligible to apply for federal funds provided by the Transportation Equity Act. In addition to matching funds, reserve money could also be used for any transit-related purpose determined by the district's board. The bill broadened the definition of advanced transportation by adding high-occupancy toll lanes, traffic management systems, bus ways, bus lanes, bus transit, public transportation-related improvements, and operating and management costs. Under its provisions, the sales tax could range from 1/8 of a cent to ½ of a cent. The district's board could only raise the tax rate in increments of 1/8 of a cent and would have exclusive authority to determine how tax revenue would be spent. One of the bill's key provisions caused considerable concern for the City of San Antonio. The bill earmarked 2/3s of tax revenue to the advanced transportation district for projects determined by the district's board and 1/3 to the City of San Antonio and the district's other taxing entities, based on bus service mileage. However, the amount the City of San Antonio would have received from the district would have been the only payment VIA was required to pay the city for bus route maintenance and repair. This was unacceptable to the City Council and SB 782 failed to gain passage.

In anticipation of the 78<sup>th</sup> Legislature, on July 17, 2002 City staff met with representatives of VIA, Bexar County, the Metropolitan Planning Organization and the San Antonio Mobility Coalition to resolve differences regarding SB 782. Discussion focused on the revenue sharing formula as well as whether the City would be receiving future allocations from VIA's Local

Assistance Program. All parties have agreed to work on an agreement in time for the upcoming session. Negotiations are ongoing at the present time.

### **Financial Impact:**

All parties agreed that any revenue generated by a 1/8-cent tax increase would be allocated on a 1/2-1/4-1/4 split, with VIA garnering the largest share. The City's designated revenues would be spent on street maintenance. The remaining 1/4 would be utilized as matching funds for federal transportation projects administered through the Metropolitan Planning Organization.

City staff has estimated that a 1/8-cent sales tax increment would generate revenues of \$18 million. The City of San Antonio's share of revenues would be \$4.5 million.

## *Clean Air Funding*

### **Proposal:**

The City of San Antonio supports continued state financial assistance for the historically near nonattainment communities and for those communities in an effort to assist them with meeting National Ambient Air Quality Standard for ozone.

### **Background:**

The federal Clean Air Act authorizes the United States Environmental Protection Agency (EPA) to establish maximum allowable concentrations of pollutants because these pollutants in excess can endanger human health, harm the environment, and cause property damage. Areas where pollutants exceed EPA standards may be designated as nonattainment areas and if these areas do not meet EPA standards by 2007, all non-complying states face severe sanctions. Texas has four nonattainment and three near nonattainment areas, comprising 37 counties. These areas represent 70% of the state's population, 76% of aggregate employment, 82% of personal income, and 83% of gross state product. Because of Texas' integrated economy, all parts of the state have a stake in bringing these areas into compliance.

Last session the City worked with others to secure \$4.075 million in HB 1 for air quality planning activities in near nonattainment areas. Eligible activities include identifying, inventorying, and monitoring of current pollution levels, modeling future pollution levels, and the identification and quantification of potential pollution reduction through voluntary controls. Working with other near nonattainment areas, the City was successful in increasing the appropriation for near nonattainment communities from the \$2.6 million received in the 1999 legislative session.

The City supports a combination of technology improvements and a statewide public education program to influence behavioral patterns. Cleaner burning fuels and engines and an old vehicle retirement program should be considered. Local governments, particularly those who have not yet been designated nonattainment, need additional tools at their disposal.

### **Financial Impact:**

The total impact has not been determined. However, \$200-300 million in federal transportation dollars through 2003 could be jeopardized if San Antonio falls into nonattainment. Further, if designated a nonattainment area, San Antonio could face stringent federal pollution controls including mandatory use of cleaner-burning gasolines, annual testing of automobiles exhaust systems, installation of expensive vapor-recovery systems at gas pumps and restrictions on the creation or expansion of businesses that produce air emissions. The City will seek to secure at least the same level of funding (\$4.075 million) received in the 77<sup>th</sup> Legislative Session.

## ***Defense Communities Assistance***

### **Proposal:**

The City of San Antonio supports the introduction and passage of a joint resolution proposing a constitutional amendment that would, authorize the State of Texas to issue up to \$150 million in general obligation bonds to fund the Defense Economic Assistance Grant Program, the revolving loan program established by SB 1815 or any other similar military/defense industry program that the legislature might establish. Upon voter approval, these bond funds would be strategically allocated to pro-actively protect Texas' military assets in advance of the 2005 BRAC and to provide needed resources to mitigate the economic impact of any Texas base closure decision.

### **Background:**

The 75th Legislature directed Texas Economic Development (TxED) to establish and maintain an Office of Defense Affairs (ODA). During that same session, the Legislature also established the Texas Strategic Military Planning Commission (TSMPC), which consists of nine public members appointed by the Governor. The Commission serves as an advisory group to the Office of Defense Affairs regarding issues related to the military, including responsibility for developing a pro-active statewide strategy to protect Texas' military assets from future defense closures and realignments, planned to begin in 2005.

The mission of TxED's, Office of Defense Affairs, is to offer assistance to defense dependent communities and businesses. ODA is charged with developing and administering an Annual Master Plan Report that assists the state's defense communities prepare for future Base Realignments & Closures (BRAC) and is responsible for assisting defense communities that have already been impacted by BRAC through the administration of the Defense Economic Readjustment Zone Program and the Defense Economic Assistance Grant Program. ODA also has an unfunded revolving loan program (SB 1815) passed during the 2001 session to assist an eligible community develop infrastructure to minimize the possibility of or the negative effects of a base closure.

The military represents a significant part of Texas's economy accounting for more than \$49 billion economic impact. Texas accounted for nearly 7.7% of total U.S. military expenditures in 2000, higher than the state's 7.4% share of U.S. population. More than \$12 billion or about 9.8% of all U.S. military contracts were awarded in Texas in 2000. Only California and Virginia outpaced Texas in the awarding of military contracts in 2000.

In 2000, the military had over 228,790 personnel located in Texas representing about 3.1% of the state's total payroll. Currently, Texas ranks third among the states, behind California and Virginia, in total number of active military and civilian personnel.



At the local level, Tarrant County led all other Texas counties in 2000 with military procurement awards valued at \$4.0 billion. Dallas, Bexar and Harris Counties followed, with military procurement awards valued at \$1.4 billion and \$1.2 billion, and \$735 million, respectively. Other Texas counties with procurement levels exceeding \$250 million in 2000 included Austin, Collin, El Paso, Harris, Hunt and Kleberg counties.

Because the military is a substantial economic asset, the State of Texas must continue to provide leadership, coordination, technical assistance and resources to preserve, protect and expand the military and defense industry presence in the state.

### **Financial Impact:**

The cost to the state for publishing a constitutional amendment is approximately, \$80,000. It is anticipated that the cost of debt service for these bonds could be covered by loan repayments from borrowers if the amendment is approved by the voters. In addition, issuing costs might vary depending on the state's decision of how much to issues and when from the maximum \$150 million authorization.

## ***Design Build – Defense Base Development Authorities***

### **Proposal:**

To amend Chapter 252 of the Local Government Code by allowing Defense Base Development Authorities to enter into design-build contracts for public improvement projects.

### **Background:**

Both the Brooks Development Authority (BDA) and the Greater Kelly Development Authority (GKDA) are Defense Base Development Authorities, political subdivisions of the State of Texas, and were created by the City of San Antonio, a municipal corporation.

In years past, only the Texas Highway Department and Public School Districts had legislative authority to employ more flexible project delivery systems than by conventional competitive bidding.

In the last legislative session, that authority was expanded to enable municipalities, counties and river authorities to also employ such alternative procurement methods. (See SB 510 and the resulting Subchapter H, “Alternative Project Delivery Methods,” Local Government Code §§ 271.111 – 271.121).

It would be advantageous for economic redevelopment entities to have the flexibility that these alternative procurement methods offer. The careful use of these alternative procurement methods could save time and money during design and construction and would be perceived by prospective private developer-tenants of Defense Base property as a progressive measure toward stimulating redevelopment efforts.

The alternative methods are briefly described as: “design-build” (architect/engineer teams with construction contractor); “construction manager at-risk” (construction supervisory entity teams up with construction contractor to guarantee the final project price); “competitive sealed proposal” (owner selects contractor based upon price and other selective criteria to achieve “best value”); and “job order” (for smaller repair contracts involving indefinite schedule, quantity, unit pricing and repetitive tasks).

Much of the base redevelopment work often involves remodeling, upgrading and “making ready” former military facilities for private commercial tenant occupancy. Alternative methods for procuring such work can expedite construction upgrades to attract and capture private tenants that are accustomed to faster private sector build-outs. Entities like GKDA and BDA must often “capture” tenants when they are interested in locating so as not to lose them to alternative private markets.

Additionally, base redevelopment involves making vacant land ready for tenant ground leases. This often requires expedited design and construction to develop site, utility, road and drainage infrastructure to support the anticipated private construction associated with a ground lease. Alternative project delivery systems could allow Defense Base Authorities to expedite that infrastructure placement. Some redevelopment authorities also construct new “speculative” buildings for general office space to accommodate tenants that wish to occupy existing nearby industrial facilities for production purposes, but desire separately located office/administrative space. Alternative procurement delivery systems would facilitate this development also.

By expanding the narrow definition of “Governmental entity” under Local Government Code § 271.111(10) to include Defense Base Development Authorities, these Authorities will benefit from the same enabling authority and mechanisms for procurement that their “parent” governments enjoy so as to fulfill the economic redevelopment mission that the creating entities anticipate.

### **Financial Impact:**

Based on information gathered from the private and public sectors that utilize the design-build process, the following cost saving can be achieved; 6% in unit costs, 33% in project time costs and 12% in construction time costs.

## ***Fire and Police Pension Funds Amendments***

### **Proposal:**

To amend the Government Code applicable to the San Antonio Fire and Police Pension Fund for the following:

- Provide for membership into the Fund upon graduation from a training academy; receipt of state certification; and completion of all requirements for membership into the Fund;
- Allow for the buy back of service credit after leaving employment with the City and being rehired; and
- Various changes for clarification such as definitions or consistency.

### **Background:**

The Fire and Police Pension Fund (Fund) is a statutory trust which provides pension benefits for San Antonio Fire Fighters, Police Officers, and their beneficiaries. The Fund is governed by a nine member Board of Trustees comprised of the Mayor, two Council members, two active fire fighters below the rank of Fire Chief, two active police officers below the rank of Police Chief, a retiree representative of the Fire Department, and a retiree representative of the Police Department.

Contributions to the Fund and benefit levels are established under State Statute. For Fiscal Year 2002, active members contributed 12.32% of total salary or \$21.8M with a double match by the City of 24.64% of total salary, or \$43.6M. As of September 30, 2002, the market value of the assets of the Fund was \$1.142 Billion. Under the statute, contribution levels for active members and the City are not scheduled to change and will remain the same. Please note that the amounts noted in this paragraph for fiscal year 2002 are preliminary unaudited numbers.

Historically, the City and the Board of Trustees have utilized the “years required to amortize the unfunded liability” as a measure of the financial soundness of the Fund. For this type of pension fund, generally the industry benchmark is an amortization period of up to thirty years. However, the City and the Board of Trustees have agreed to utilize an amortization period of up to 25 years as the benchmark. As of October 1, 2001, which is the latest actuarial valuation available for the Fund, the amortization period for the unfunded liability was 20.3 years. Preliminary results of the actuarial valuation as of October 1, 2002 indicate the amortization period is approximately 25.3 years.

As noted above, the proposed package includes a change to provide membership into the Fund upon graduation from a training academy; receipt of state certification; and completion of all requirements for membership into the Fund. Currently, membership into the Fund occurs (2) two months after meeting the aforementioned requirements. With the proposed change, the police officer or fire fighter would become a member of the Fund upon meeting the

aforementioned requirements and begin making their required employee contributions into the Fund. However, the City would not be required to double match these contributions until two months after membership into the Fund as is currently the case. With membership, the police officer or firefighter would be entitled to disability or line of duty death benefits provided for members of the Fund. Effective October 1, 2005, the City would be required to double match contributions made by the employee beginning at the time of their membership into the Fund. There would be no retroactive application of the City's double match requirement. The proposed package will also include the buy back of service credit after leaving employment with the City and being rehired and various other changes for clarification.

Based on currently available information, the proposed package is anticipated to have an insignificant impact on the years to amortize the unfunded liability. Based on estimates actuarially determined by Towers Perrin utilizing the assumptions, methods, and data from the October 1, 2001 actuarial study, the first item of the package on membership into the Fund is expected to change the years to amortize the unfunded liability by less than one-tenth of a year. An actuarial estimate was not developed for the buy back of service credit as it is anticipated to have a negligible impact.

The City endorses the proposed legislative package. It has also been approved by the Fund's Board of Trustees and endorsed by the San Antonio Professional Fire Fighter's Association, the San Antonio Police Officer's Association, and the San Antonio Fire & Police Pensioner's Association.

## **Financial Impact**

It is anticipated that the proposed legislative package will have an insignificant impact on the years to amortize the unfunded liability. For the change in membership to the Fund, it has been estimated by Towers Perrin to have an impact to the amortization period of less than one-tenth of one year. Actuarial estimates were not developed for the buy back of service credit as it is anticipated to have a negligible impact. As such, it is estimated that the proposed legislative package will have no measurable impact on the estimated preliminary amortization period of approximately 25.3 years as of October 1, 2002.

Beginning on October 1, 2005, the City will be required to begin double matching employee contributions at the time of their membership into the Fund. The impact to the City's operating budget beginning in Fiscal Year 2006 is estimated at \$175,000 to \$200,000 annually. The proposed changes are not anticipated to impact the operations of the Fire or Police Departments, respectively.

## ***Freeport Exemption***

### **Proposal:**

The City of San Antonio supports the passage of legislation that enacts Senate Joint Resolution 6 expanding the State's current Freeport Exemption.

### **Background:**

The Freeport Exemption is a business incentive that exempts taxes on inventory that is classified as Freeport property and is detained in Texas for a short period of time. Freeport property includes goods, merchandise, and certain aircraft parts used for the purpose of assembly, storage, manufacturing, processing or fabricating. To receive the tax exemption, eligible inventory must be transported to destinations outside of Texas not later than 175 days after the date the inventory was acquired or imported into Texas.

This incentive is particularly attractive to manufacturing, logistics and distribution activities locating in Texas. However, most other states don't tax such inventory at all putting Texas at a disadvantage. Participating taxing entities include the City of San Antonio, Bexar County and some independent school districts. In 2001, 126 local companies participated in the Freeport Exemption program receiving a tax exemption on \$318,663,870 in eligible inventory. This resulted in a total City tax incentive of \$1,843,598 dollars. Companies participating in 2001 include Alcoa, Cardell Cabinets, DPT Laboratories, Kinetic Concepts, Philips Semiconductors, Radio Cap, Sony, HEB and Tristar Corporation.

On November 6, 2001, the voters approved a constitutional amendment proposed by Senate Joint Resolution 6 that expands the state's Freeport Exemption to include goods-in-transit regardless of their point of origin or destination, and extends the holding period from 175 days to 270 days. Enabling legislation is now required to put these changes into law. Once enacted into law, the Freeport Exemption will become an even more attractive business incentive and will continue to be an invaluable tool in helping establish Inland Port San Antonio.

### **Financial Impact:**

The impact to the General Fund will depend on the companies participating in the Freeport Exemption and the taxable value of their eligible inventories. The City does not anticipate there will be a significant financial impact to its General Fund.

## *Homeland Security*

### **Proposal:**

To secure \$4.6 million in state matching funds for the Center for Infrastructure Assurance & Security (\$2.5M) and UTSA/Brooks AFB Bio-processing Training Center (\$2.1 M).

### **Background:**

In December 2001, Congress provided seed money (\$2.5 million) to establish the Center for Infrastructure Assurance & Security (CIAS). This center is a partnership between UTSA, the Air Intelligence Agency at Lackland Air Force Base, and 42 local computer security companies. CIAS is housed at UTSA to coordinate research methods with our faculty and students in protecting computer infrastructures. The bulk of this funding will be used to research, develop, and address computer protection strategies to prevent and detect illegal intrusion of public and private computer infrastructures. UTSA seeks state resources to support this initiative that would benefit Texas' Homeland Security concerns.

UTSA is also the lead agency in conducting a cyber-security exercise, dubbed "Dark Screen" that will identify and test cyber capabilities to detect, prevent and respond to a cyber terrorist attack. The exercise will test the ability of federal, state, county and local authorities to effectively communicate and respond during and after a cyber terrorist attack. UTSA is working closely with the Air Intelligence Agency, the City of San Antonio, Bexar County, the FBI, local public agencies, and computer security companies. Dark Screen will be the first cyber-terrorist exercise in the country since September 11. The success of this project will serve as a model for other major metropolitan areas around the country.

In addition, Congress recently invested funds (\$2.1 million) to create the UTSA/Brooks AFB Bio-processing Training Center. This project involves a building at Brooks AFB to be converted into the UTSA/Brooks AFB Bioprocessing lab, which will enable the city, state, and country to prepare for a possible bio-terrorist attack. The Center would provide space to conduct basic training for skills needed to produce antitoxins and vaccines to defeat any bio-terrorist attack. UTSA has received some federal support but requires matching support from the state to make this project a reality. This facility will also enable the State of Texas to secure an even bigger anti-terrorism project, a Department of Defense vaccine production facility.

Governor Perry established a Task Force on Homeland Security to advise him on matters relating to homeland security. The University of Texas at San Antonio, in partnership with the City of San Antonio, and two military installations is leveraging resources to create, establish, and support a center addressing computer security issues at Lackland AFB and a facility to address bioterrorism issues on Brooks AFB.

**Financial Impact:**

UTSA is requesting support from the City of San Antonio to secure matching dollars from the State of Texas for these two Homeland Security Initiatives. Military installations in San Antonio, combined with UTSA's efforts to become a top tier one research university creates an opportunity for San Antonio to become a major player in Homeland Security.

**Additional Information and Comments:**

The City of San Antonio invested \$1 million in UTSA's Biotechnology Initiative. UTSA has a City investment, a federal investment, and what is needed now is a state investment to allow UTSA to reach its' full potential of helping make a significant research contribution to Homeland Security.



## ***Hotel Project Tax Rebate Eligibility***

### **Proposal:**

Amend state law to add the City of San Antonio as a municipality that can receive a rebate of eligible tax revenues generated by qualified hotel projects. This proposal would allow the City to use state and local hotel occupancy tax and sales & use tax revenues generated by a convention headquarters hotel to repay bonds issued for construction of such hotel. The proposal would include, in addition to any other necessary modification(s) to state law:

- Modification of Tex. Gov't Code § 2303.003(8) to change the definition of “qualified hotel project” to include municipalities with a population of 1,100,000 or more;
- Modification of Tex. Gov't Code §1504(a)(3), §1504(a)(4), and § 2303.5055(b) to include municipalities with a population of 1,100,000 or more; and
- Modification of Tex. Tax Code §351.001(2) and §351.102(a) to include municipalities with a population of 1,100,000 or more.

Given the difficult budget situation currently facing the state, it may be necessary to further modify the foregoing provisions of the Texas Government Code to ensure that the fiscal impact to the state of this proposal is positive. This may be accomplished by utilizing dynamic fiscal analysis to fully take into account the economic and tax impact of a major project that will otherwise not be undertaken if these incentives are not made available.

### **Background:**

To facilitate development of the Houston convention headquarters hotel, the Legislature enacted H.B. 2282, Ch. 231 *Acts of the 73<sup>rd</sup> Legislature*, 1993, allowing municipalities of 1,500,000 or more to develop and receive a rebate of state and local hotel occupancy and sales & use taxes for a qualified hotel project. Portions of this act were codified by Ch. 76 *Acts of the 74<sup>th</sup> Legislature* §5.52(a), 1995, amending Ch. 2303 Tex. Gov't Code. This proposal would allow San Antonio (and consequently Dallas) to do the same.

### **Financial Impact:**

Allows City to receive rebate for up to 10 years of eligible tax proceeds generated by a qualified hotel project and to issue bonds backed by such tax rebate for a qualified hotel project. The impact of this proposal depends on the financial design City Council selects for San Antonio's convention headquarters hotel project.

## ***Irrigation Technology Center***

### **Proposal:**

To secure \$4 million in funding over the next biennium for the creation of a statewide Irrigation Technology Center (ITC), as proposed by the Texas A&M University System, that will be headquartered in San Antonio.

### **Background:**

The Board of Regents of The Texas A&M University System approved the establishment of the Irrigation Technology Center in May 2002. The ITC is part of the Texas Agricultural Experiment Station and will work in partnership with Texas Cooperative Extension Service. The Board of Regents has also agreed to place the ITC headquarters in San Antonio.

The Center will be administered through the Texas Water Resources Institute, a research and public information unit of the Experiment Station, which serves as a focal point for water-related research and outreach at Texas universities. Research and extension faculty at ITC facilities, Texas A&M University and 11 Agricultural Research and Extension Centers will work cooperatively to address the vital issue of water for Texas.

The Irrigation Technology center is seeking a state appropriation of \$2 million per year over the next biennium to cover unmet operating costs. Revenues also will be realized from some activities of the ITC, specifically the testing and certification labs, education and training, software sales, transfer fees, grants and donation.

To ensure adequate water supplies for the future, Texas must realize the full benefits of existing technologies; develop more efficient irrigation products, management, and reuse practices; educate agricultural and landscape irrigators; and identify policies that encourage conservation. Toward that end, The Texas A&M University System has established an Irrigation Technology Center (ITC) to lead in attaining these goals.

A new facility will be constructed in San Antonio to serve as headquarters for the Irrigation Technology Center. Programs conducted there will address urban water issues, focusing on research and extension work in urban irrigation, equipment testing and certification, and wastewater reuse. Applied research studies and instruction on landscape irrigation, sprinkler testing, run-off collection, irrigation scheduling and testing also will be provided. The programs of the ITC in San Antonio will be closely coordinated with urban water utilities and authorities. In addition, the San Antonio facility also will house a self-supporting international division which will provide research and development programs for international agencies and organizations on a fee-basis.

**Partners:**

**USDA:** Agricultural Research Service and the Natural Resources Conservation Service

**Local and Regional:** Agricultural commodity organizations; Bexar Met; City of San Antonio; Edwards Aquifer Authority; El Paso Water Utilities; River Authorities; San Antonio Water System; Texas Turfgrass Irrigation Association; Underground Water Conservation Districts and Irrigation Districts

**Cooperators:** Texas Department of Agriculture; Texas Commission on Environmental Quality; Texas State Soil and Water Conservation Board; Texas Water Development Board; U.S. Bureau of Reclamation; U.S. Environmental Protection Agency and the U.S. Geological Survey.

**Financial Impact:**

Texas A&M University System is completing an impact statement at this time.

## ***Local Records Preservation and Technology Enhancement Fund***

### **Proposal:**

To establish a Local Records Preservation and Technology Enhancement Fund supported by a surcharge on the issuance of birth, death and fetal death records for the preservation of permanent, historical and archival records.

### **Background:**

#### **A. Local Records Preservation**

The Municipal Records Facility of the Office of the City Clerk is responsible for microfilming all permanent records and preserving all historical and archival records for the City of San Antonio. It is the repository of the only permanent original documents such as tax records, deeds, plats and architectural plans, and birth/death/fetal death records. Records stored at the Records Facility hold historical significance and many others provide valuable information about the progress of this community over the last 150 years. In order to ensure their preservation, a permanent fee is necessary to generate sufficient revenues to cover the costs associated with archiving and preserving these documents.

There is no fee available to a municipality for the preservation of records. However, the counties have several fees that they are allowed to impose for records management and preservation. Code of Criminal Procedure Article 102.005(f) imposes a \$20 record fee for a defendant in county court, district court, or county court at law. Additionally, counties may charge a \$5 records management and preservation fee for all district court filings under Texas Government Code § 51.317. Municipalities do not have any similar authority. A statute allowing the city to levy a records preservation fee on birth and death records in order to preserve and restore valuable historical and archival documents would allow the City to preserve and maintain numerous historical documents.

#### **B. Technology Enhancement**

Currently, a municipality may impose a fee in municipal court for technology enhancements for municipal court alone. Code of Criminal Procedure Article 102.0172. The municipal court technology fund expires on September 4, 2005. The City needs funds to develop technology in the area of records preservation. The development of an electronic document system will help launch the City of San Antonio into the 21<sup>st</sup> century from the manual paper process to a system where documents are imaged into the computer programs. This type of system will allow individuals to be able to retrieve documents electronically from their desktop in the future.

These records are currently microfilmed, imaged and maintained by the City Clerk's Office Records Management Division and stored at the Municipal Records Facility. The surcharge will facilitate electronic development of a document management system to enhance productivity and proficiency in customer service by replacing outdated manual processes. In addition, the surcharge will promote the development of an infrastructure for electronic systems for the imaging/scanning and microfilming of documents.

San Antonio is the 9<sup>th</sup> largest city in the U.S., one of the oldest established cities in the State, and with Texas as the second most populous state in the union, San Antonio is facing a crisis in records preservation and effective document recovery. Local registrars provide the easiest access for citizens to obtain records from the city and the state. In order to meet the ever increasing demands of the populous, the City must be able to adequately preserve their records and make access easier in the future.

### **Financial Impact:**

	Local Birth Certificate	State Birth Certificate	Death Certificate 1 <sup>st</sup> Copy	Death Certificate Additional Copy
Current Fee	\$9.00	\$9.00	\$9.00	\$3.00
Work & Family Fee added in 1995	\$2.00	\$2.00	\$0	\$0
BVS Fee	\$0	\$1.83	\$0	\$0
<b>Total Current Fee</b>	<b>\$11.00</b>	<b>\$12.83</b>	<b>\$9.00</b>	<b>\$3.00</b>
Proposed Records Preservation Enhancement Fee	\$2.00	\$2.00	\$2.00	\$2.00
<b>Total New Fee</b>	<b>\$13.00</b>	<b>\$14.83</b>	<b>\$11.00</b>	<b>\$5.00</b>

The projected revenue will be approximately \$350,000 per year based on 78,000 births and 97,000 death/fetal death records issued.

## ***Municipally Owned Utility Protections***

### **Proposal:**

To oppose legislation that negatively impacts City Public Service (CPS), particularly the provisions in Senate Bill 7 that protect the city's local control of our municipally owned utility in the competitive electric market in Texas which opened January 1, 2002.

### **Background:**

During the 76<sup>th</sup> Legislative Session, the Texas Legislature passed Senate Bill 7. This legislation provides the framework for restructuring the electric utility industry in Texas. SB 7 provides cities that own their electric utility with the option to choose when to opt-in to the competitive market and other protections. This decision is vital for publicly owned utilities in the state. The legislation also includes various protections to maintain the financial integrity of our utility and appropriate customer protections for the citizens of San Antonio.

The Public Utility Commission (PUC) continues to develop rules implementing the legislation regarding market oversight, many of which affect CPS. Likewise, the Electric Reliability Council of Texas (ERCOT) continues to develop rules regarding wholesale and retail market operation. Since the introduction of electric wholesale competition in Texas in 1995 and retail choice in 1999, market participants in ERCOT are incurring new, and in some cases unexpected, costs associated with market restructuring. CPS is actively monitoring and participating in PUC rulemaking proceedings as well as proceedings at ERCOT that impact its participation in the market. The key objective is to minimize risk and manage costs to the benefit of our customers.

CPS has also successfully challenged PUC rulemakings (with respect to statewide transmission pricing) through the courts and is currently negotiating financial settlements with various defendants. CPS staff has been active particularly with respect to the following activities:

- ERCOT financing and governance,
- Statewide transmission pricing,
- Transmission congestion management pricing,
- Municipally-owned utility (opt-in) code of conduct, and
- Municipally owned utility (opt-in) terms and conditions.

To date, CPS participation in these forums has resulted in CPS customer savings of over \$6 million.

### **Financial Impact:**

Significant changes to SB 7, specifically Chapter 40 affecting municipally owned utilities, could result in a loss of municipal control over rates, terms, revenues and policies, and consequently having an adverse impact on municipal finances, small business and residential customers.

## ***Negotiated Land Sale***

### **Proposal:**

To allow political subdivisions, such as the Greater Kelly Development Authority (GKDA) and the Brooks Development Authority (BDA) to sell property that is located in an enterprise zone through the same process as municipalities.

### **Background:**

Currently, Title 8, Chapter 272, Subchapter Z, Section 272.001 of the Texas Local Government Code, provides that before land owned by a political subdivision of the state may be sold or exchanged for other land, notice must be posted to the general public and a procedure on how sealed bids may be submitted for the purchase of the land must be described. A change in this Chapter of the Local Government Code, allowing GKDA and BDA to follow the same process as the City, would eliminate the need for land located in a designated enterprise zone to be offered to the public at large in a sealed bid procedure. Instead, the political subdivision would be allowed to negotiate with potential buyers and sell property for fair market value as determined by an independent appraisal.

This bill would allow political subdivisions to better market and develop property under their authority, thereby allowing them to accomplish their stated goals and objectives in an efficient manner that is equivalent to commercial real estate practices. All property transactions require an independent appraisal to establish full market value and will still need to be approved by the boards of directors of Kelly USA and the Brooks Development Authority.

### **Financial Impact:**

The financial impact to the City is minimal as these political subdivisions operate independently. However, as the City has an interest in the success of these entities, it would serve their best interests to create an expedient and direct method to sell and develop property within the Authorities' boundaries. There are slight administrative savings to the political subdivisions if publishing of notice of sale and sealed bid submittals were not required. It would also greatly facilitate and streamline the commercial sale of property if sealed-bid procedures were eliminated.

## *Open Space Conservation*

### **Proposal:**

To delete the requirement in Chapter 334 of the Local Government Code that parks venue projects must be located within a “municipality or the county.”

### **Background:**

San Antonio voters passed Proposition 3 in May of 2000, which authorized a dedicated sales tax to fund a park venue project under Chapter 334 of the Local Government Code. The purpose of the project was to purchase undeveloped land in the recharge and contributing zones of the Edwards Aquifer and leave it undeveloped as a means of protecting the Aquifer from the increased pollution that could result from such development. A restriction contained in Section 334.081(c) limits such venue projects to within a “municipality or county.” This restriction is unfortunate because the contributing and recharge zones of the Aquifer extend beyond the City of San Antonio and Bexar County and the City could more effectively implement the program, or similar future programs if it was allowed to make purchases outside of the jurisdictional boundaries of both the City of San Antonio and Bexar County.

The following is a proposed wording of the change to two sections of Chapter 334:

1. Section 334.081(c) A municipality or county may impose a tax under this subchapter only if:  
  
(1) an approved venue project is or is planned to be located in the municipality or county, provided that if the venue project is part of a parks and recreation system as defined under section 334.001(4)(D), then such venue project shall be allowed to be located outside of the municipality or county;
2. Section 334.024(f) If the venue project is authorized by Section 334.001(4)(D) and the venue project does not include improvements and/or additions to all parks and/or recreation facilities of the municipality, the description of the venue project in the proposition, if for improvements or additions to an existing park or recreation facility, shall identify by name or location each park or recreation facility and, if for acquisition and/or improvement of a new park or recreation facility, the general location ~~within the municipality~~ of the new park recreational system, or facility.

### **Financial Impact:**

None.



## *San Antonio Life Science Institute*

### **Proposal:**

To secure \$12 million from the 78<sup>th</sup> Texas Legislature to establish a San Antonio Life Science Institute that will link biological and biomedical resources of the University of Texas at San Antonio (UTSA) and the University of Texas Health Science Center-San Antonio (UTHSC-SA) campuses.

### **Background:**

The Institute would develop and implement joint doctoral and master degree programs in emerging life science disciplines and conduct collaborative research with greater competitiveness to attract outside funding.

In the 77<sup>th</sup> Legislative Session (SB728/HB1716) passed allowing UTSA and the UTHSC-SA to create this Institute. Legislation passed but no funds were provided to support the creation of this Institute. The Institute would be the first of its kind in Texas, a pilot project that would also seek federal and private research dollars to support the operation and management of the Institute. This project is in concert with Governor Rick Perry's report *Higher Education in the 21<sup>st</sup> Century... moving every Texan Forward* and with the Texas Higher Education Coordinating Board's, *Closing the Gap*, which recommends an increase in the number and diversity of Texans engaged in higher education programs, more specifically, sciences. UTSA is ranked No. 1 in the nation for the number of undergraduate degrees in the biological sciences awarded to Hispanics for four of the last five years.

As the community of San Antonio works to secure a \$1.5 billion federal vaccine facility the San Antonio Life Sciences Institute would serve as the foundation to produce, train, and support technical expertise needed to work in the federal vaccine facility. The Institute could also support San Antonio's efforts of transitioning Brooks AFB into a technology/business/research park. The Institute could support San Antonio's goal of becoming a leader in the emerging fields of biosciences by developing and implementing new degree programs and meeting San Antonio's critical educational needs in the sciences. Primarily adequate state funding for the San Antonio Life Science Institute will assist moving San Antonio in the direction of building a top tier one-research university.

The Texas Higher Education Coordinating Board and the University of Texas Board of Regents both recommended to the 77<sup>th</sup> legislature that this bill be approved to establish a San Antonio Life Science Institute to build and enhance cooperation and synergy between the two campuses. Funding was not provided, which was needed for program development.

**Financial Impact:**

The Life Sciences Institute requires \$12 million in state funding for the next biennium. After securing state funding, this project will also seek federal and private research dollars. In addition to direct economic impact, the Institute will attract and support economic growth in the biotechnology industry and related fields by providing a professional, highly skilled workforce.

## ***Social Services Data-Sharing Project***

### **Proposal:**

To support the creation of a two-year pilot project to provide for the sharing of specific data of participants of publicly-funded early childhood care and education program between the City of San Antonio and the Texas Workforce Commission (TWC), Texas Education Agency (TEA), San Antonio Independent School District (SAISD), Northside Independent School District (NISD), and North East Independent School District (NEISD).

### **Background:**

The City of San Antonio has espoused a vision for a seamless community-wide web-based childcare safety net to maximize the placement of eligible children into existing childcare systems. The City plans to develop an early childhood initiative that supports a web-based Single Portal Entry (SPE) for publicly funded early education and care programs. The objective of the SPE system is to maximize the placement of eligible children into existing childcare systems, while serving as the basic building block to an overall seamless information system for childcare services.

In November 2001, the City consulted with a nationally known technology firm to design the SPE system. The City, along with its consultant, conducted an analysis of the four childcare systems initially identified in this effort. An iterative process of interviews and technical analysis was used to develop a baseline of requirements for each of the four childcare systems under study. These systems were identified as the City's Child Care Delivery System (which includes child care funds from the Texas Workforce Commission as well as City funds), Parent Child Incorporated/Head Start, NEISD Pre-Kindergarten and SAISD Pre-Kindergarten. Each system was evaluated along various business and technical processes, including, services provided, intake process and eligibility requirements, client identification and placement, organizational structure, coordination practices, funding and budgeting, and automation data requirements.

From the analysis of each independent system, requirements for a unified SPE system were identified. The analysis included a comparison of existing systems to identify a general process description and key data requirements for the design of an integrated SPE. Stated functional and technical requirements were captured succinctly and enumerated by Input, Architecture, Output, and Implementation categories to support effective design of an integrated and unified SPE.

The Requirements Definition Document (RDD) effectively completed the initial Analysis of Existing Systems & Requirements Phase of the SPE Design project. It validated SPE stated requirements, while accommodating City and Partner concerns and achieving conceptual and technical concurrence across the community of stakeholders. The RDD organized and outlined a viable and unified SPE System that provides community-wide childcare benefits and allowed the

project to proceed with an already developed System Design Phase and Implementation Planning Phase of the SPE Design project. The next phase for the SPE project will be the implementation phase which relies on the sharing of data as well as technical expertise, management, and high-level security in order to succeed.

During the 77<sup>th</sup> and 76<sup>th</sup> Legislative Sessions, the Legislature took steps to improve the state's social services delivery processes. The state has specifically analyzed the processes used to verify personal information necessary to determine eligibility for social service programs. Currently, the Texas Department of Human Services (TDHS) utilizes data brokers in their offices in Beaumont, San Antonio, and Houston to process corrections to client files and performs case-maintenance activities over the phone instead of through in-person interviews. The City of San Antonio will review information collected by the state to improve the effectiveness and efficiency of publicly funded childcare programs in San Antonio.

Government Code Chapter 552 defines public information, but protects certain information. Over the past several years, the Texas State Legislature has amended Chapter 552 which protects student records from the Public Information requirement except when made available upon the request of (1) educational institution personnel, (2) the student involved or the student's parent, legal guardian, or spouse; or (3) a person conducting a child abuse investigation required by Subchapter D, Chapter 261, of the Family Code. These exceptions were added by Acts 1993, 73<sup>rd</sup> Leg., ch. 268, § 1, eff. Sept. 1, 1993 and Acts 1997, 75<sup>th</sup> Leg., ch.165, § 7.38, eff. Sept. 1, 1997. The City proposes the creation of another exception to include San Antonio's pilot project.

### **Financial Impact:**

There is no direct fiscal impact associated with this initiative. However, there will be indirect administrative costs that would be incurred by the participating state agencies and local school districts in the exchange of data.

## ***Southside Development Initiative***

### **Proposal:**

To develop and secure passage of legislation that will promote economic development in South San Antonio by creating a special district with powers to enhance educational opportunities in the public schools and manage development in the area.

### **Background:**

The Texas Legislature has adopted a large patchwork of economic development statutes that are designed to enable communities to support and encourage capital investment and job creation. The City of San Antonio has been able to utilize some of these statutes successfully. None of these statutes alone provide the tools that are needed to address the development challenges of large portions of South San Antonio.

NAFTA, biomedicine, tourism, and the overall economic vitality of south-central Texas combined with a strong and capable workforce have made San Antonio a national and international destination for new investment. The City has grown north at an exceedingly fast pace, placing pressure on transportation routes and other infrastructure in this part of the community. This rapid growth has also placed development pressures over the Edwards Aquifer recharge zone.

Areas south of San Antonio, however, have not shared fully in this economic expansion. Federal efforts to reduce and consolidate military expenditures have led to the closing of Kelly AFB and the reconfiguration of Brooks AFB, both of which are located in south San Antonio. Redevelopment of military facilities through unique and creative partnerships with the federal government and private entities have made significant progress but have been unable so far to help this area of San Antonio realize its full potential.

The area has many of the fundamentals that make it a prime location to attract major industry to this region: available land, excellent transportation facilities, a state-of-the-art logistics and distribution center and a skilled workforce. Toyota's interest in San Antonio is an example of the potential for industrial growth in the southern sector. But it also introduces challenges for policymakers. It will require investment in infrastructure that includes, innovative technology, quality education and job training. Without incentives for capital and human development, global industries cannot hire workers with the skills and cutting-edge tools needed to grow and sustain high-paying jobs or to build hi-tech facilities that will make them competitive in the New Economy.

The Southside Initiative is intended to address these issues by enabling the City to create a special district with a broad range of tools focusing on enhancing public education within the area and promoting economic development through planned growth. In particular, this special

district would be authorized to enter into regional development agreements with the area school districts to provide additional funding sources for new school facilities, supplement teacher pay, preschool programs, after-school programs and scholarships.

In addition, the Southside Initiative special district would consolidate most of the economic development powers found in numerous special districts and dozens of state statutes scattered throughout Texas laws. These powers include levy of assessments, the imposition of an impact fee, maintenance tax, including a sales and use tax within the district, the construction of infrastructure, the issuance of bonds, and tax increment powers, all subject to approval by the City Council.

By combining educational enhancements with a streamlining of economic development powers, the Southside Initiative legislation creates a new structure that can put in place a successful plan for the development of this part of our community. The plan incorporates a planning component by laying the foundation for future growth through the use of proven land use controls. It encourages innovative financing methods to attract public and private investment in state-of-the-art infrastructure and services. It promotes the highest quality public education by providing funding for joint partnerships with school districts and institutions of higher learning. And it fosters a better quality of life by creating sustainable communities by using progressive architectural and urban design standards.

A board of directors, appointed by the San Antonio City Council, would govern the Southside Improvement District. The district's boundaries would be located entirely within San Antonio's city limits or extraterritorial jurisdiction (ETJ). Roughly, this would encompass an area just south of Loop 410 and extending almost to Loop 1604. It would be bordered by Interstate 37 on the east and by Interstate 35 on the west.

### **Financial Impact:**

The district will be self-sustaining and, therefore, there will be no negative financial impact to the City of San Antonio.

## ***Street Racing Penalty Enhancements***

### **Proposal:**

To amend state law by strengthening the penalties for street racing and/or reckless driving.

### **Background:**

It is well documented that teen drivers have the highest accident rate of any age group. According to the American Automobile Association, teenagers comprise 14 percent of all motor vehicle deaths, even though they make up just seven percent of all drivers.

Among 16- to 20-year olds, traffic accidents are the leading cause of death. And recent surveys show that teenagers are four times more likely to have an accident than an adult. The biggest threat to young drivers is inexperience. But a big part of the problem is the growing incidence of street racing.

A study by the University of Hawaii found that more than half of young drivers today are drawn to street racing because of an American culture that promotes speed and winning. These attitudes are reinforced by the mass marketing of new cars, with an emphasis on horsepower and acceleration. When teenagers drive too fast, however, disaster often strikes.

Last session, the Texas Legislature passed a graduated driver licensing bill in response to the skyrocketing accident and fatality rate among teen drivers. The new law places restrictions on the hours that teens can drive and how many other teens or children they can have in the car with them. It allows teenagers to ease into driving by imposing more safety restrictions, giving them a better opportunity to gain the experience they need to maneuver in a wide variety of roadway conditions. But this new law falls short in addressing the aggressive driving behaviors of young drivers.

In recent months, several teenagers in the San Antonio area have died from street racing accidents. The City has received countless calls from citizens demanding solutions to the problem. In response to the public outcry, the City is proposing legislation that would:

- increase the penalty for reckless driving to a Class B misdemeanor;
- suspend an offender's drivers license upon two convictions for street racing; and
- require offenders to take an aggressive driving class as a condition of probation for any street racing-related offense, regardless of whether the driver was judged to be "aggressive" in his driving behavior.

According to the San Antonio Fire Department, there have been over 16,932 motor vehicle accidents in the past year. Of these, a little over 4,000 were Code 2 accident (stable patients) and

1,260 were Code 3 accidents (unstable patients). In roughly the same time period, San Antonio Municipal Court recorded the filing of 1,037 racing cases and 1,466 exhibition of speed cases.

The City is proposing to address the growing street racing problem through local ordinance. However, assistance from the state legislature will be needed to increase state fines and penalties.

**Financial Impact:**

The fiscal impact is undetermined



## ***Texas A&M Four Year Campus In San Antonio***

### **Proposal:**

The City of San Antonio supports legislative efforts to establish a four-year free standing A&M University System Campus in the southern sector of San Antonio.

### **Background:**

Historically, the southern sector of San Antonio has had limited access to certain higher educational opportunities. In an effort to address that need, Sen. Frank L. Madla and other community leaders invited university system officials from around the state to make presentations indicating their interest in establishing a university in the southern sector of San Antonio.

Former Texas A&M University System Chancellor Dr. Barry B. Thompson and former Deputy Chancellor Dr. Leo Sayavedra made presentations to the wide variety of elected officials, civic groups and chambers of commerce. These presentations illustrated the significant interest that the A&M System had in establishing a campus in South San Antonio. Feedback from the community was overwhelmingly positive and the concept for building a Texas A&M presence was endorsed.

The Alamo Community College District enthusiastically expressed their support and offered to provide facilities necessary to grow the enrollment for the new campus following the successful outcome of the Pathway Model established by the Texas Higher Education Coordinating Board. During the 1999 state legislative session, Sen. Madla leveraged that community support and secured a \$1.6 million appropriation to establish a Texas A&M Palo Alto Education Center, under the auspices and appropriations pattern of the Texas A&M University-Kingsville, as the lead institution for development of the Center.

The Texas A&M Palo Alto Center opened the Fall of 2000 with 126 students in the program areas of Elementary Education, Nursing, Psychology, Criminology, Science and Technology and Business. Currently, there are 288 students enrolled with two additional program areas offered: Child Development and Agribusiness. From Fall Semester 2000 to Spring Semester 2002, there has been an increase in full-time students from 26% to 44%. The average student age is 31.5 years old. Minority enrollment is 67%; 33% are Anglo. There have been a total of 10 graduates to date, with a projected Spring 2002 graduation of 36.

A joint admissions agreement has been formalized with all of the ACCD campuses to facilitate an easier student transfer process. Due to space limitations on the Palo Alto campus, the majority of the System Center classes are now being offered in four portable classroom facilities,

with enrollment projections showing the need for two additional portable facilities to accommodate the Fall Semester.

It is a priority of the Texas A&M System to establish a four-year free standing A&M University System Campus in the Southern Sector of San Antonio. A possible companion initiative is the construction of a world class Irrigation Technology Center (ITC) also slated to be developed on the City's Southside. Having the ITC affiliated with the San Antonio A&M campus will enhance its course and degree offerings in the areas of agricultural and water conservation.

### **Financial Impact:**

There would be a direct and indirect positive fiscal impact to the City of San Antonio if the state invested additional higher education resources to establish a four-year Texas A&M Campus in the city's southern sector. Direct benefits would include, but not limited, to payroll and the purchasing of supplies and materials from local businesses, indirect benefits would include adding to San Antonio's research capacity, improving access to educational opportunities for its citizens and enhancing the availability of a quality workforce.

## ***Warrant Collection Contract Fees***

### **Proposal:**

To enact legislation to allow the 30% collection fee authorized in the Code of Criminal Procedures, for debts, fines, fees and restitution, to apply to all outstanding warrants.

### **Background:**

SB 1778, passed in the last session of the legislature, authorized the governing body of a county or municipality to enter into a contract with a private attorney or public or private vendor for collection services for debts, fines, fees, restitution, or costs other than forfeited bonds. The bill also allows the governing body to offset associated costs by authorizing the assessment of a collection fee in the amount of 30 percent on each debt or account that is more than 60 days past due and has been referred to a vendor for collection.

According to the City Attorney's Office, the Attorney General in a 1962 Opinion stated that a "debt" could not be established until it is sufficiently definite or there is absolute liability. The Opinion stated that a court of competent jurisdiction could establish such definite sum by entering a final judgment.

Based on this AG's Opinion, the City Attorney's Office issued an opinion that the 30% collection fee should only be collectible from adjudicated offenses.

### **Financial Impact:**

If the City obtains authorization to collect outstanding non-adjudicated cases, additional net revenues could increase by as much as an estimated \$2 million per annum

## ***Water Resources***

### **Proposal:**

The City supports legislative initiatives that promote the concept of conjunctive water management and encourages conservation and reuse, recharge enhancements, weather modification, rainwater harvesting, desalination, brush control, aquifer storage and recovery, and the development of real water markets. Specifically, the City supports the repeal of the “junior water rights” provision that renders interbasin transfers impractical. In addition, the City supports efforts that protect the region’s existing water supply arrangements and the local control and management of the Edwards Aquifer by the duly elected Edwards Aquifer Authority Board.

### **Background:**

The City of San Antonio and the south central Texas Region have begun actions to augment their water supplies. While the Edwards Aquifer will remain the cornerstone of our water supply, additional water resources are needed to meet future water demand and are critical to the long-term economic security of the region. The Edwards aquifer is the sole source of water for about 1.3 million people in and near San Antonio, Texas, as well as for ranchers and farmers throughout south-central Texas. The aquifer also supplies water to sustain threatened and endangered species associated with major springs in the region and provides base flows to down stream interests.

SB 1, a major water law reform bill passed by the 75th Legislature in 1997, requires the establishment of regional water across Texas, and the development of a statewide water plan. The bill makes significant changes to Texas water law in the areas of water marketing, water transfers, and reuse. However, the “junior water rights” provision, in effect, places a moratorium on new interbasin transfers, since water would not be available to the receiving basin during times of low flows, when it would be needed most. The result is that there is little or no market for such water, creating challenges to effective regional water planning efforts. As we move forward to secure long-term water resources, protecting certain provisions in SB 1, changing junior rights and removing the cumbersome restrictions on transfers will continue to be of strategic importance to San Antonio.

SB2, which passed last session as originally filed, would have set forth a number of fees that would be used to financially assist local communities with various water development projects. Unable to agree on a mix of funding options, during the 77<sup>th</sup> Session, the 78<sup>th</sup> Legislature is certain to consider ideas about generating new state funding for water resources development and conservation.

## **Financial Impact:**

In January of 2002, Region L completed its work on the region's water resources plan and submitted their findings to the Texas Water Development Board. In their report, they assess the social and economic impacts of not meeting the region's projected water needs. Their estimated effect of projected water shortages upon gross value of business, which includes the direct and indirect effects, are \$31.9 billion per year in 2010, \$52.4 billion per year in 2030, and \$78.8 billion per year in 2050. If the water needs are left entirely unmet, the level of shortage in 2010 results in 461,698 fewer jobs than would be expected if the water needs of 2010 are fully met. The gap in job growth due to water shortages grows to 748,081 by 2030 and to 1.1 million by 2050. The estimated effects of the projected water shortages upon personal income in 2030 are \$21.02 billion annually (1999 dollars), and in 2050 are \$31.14 billion annually (1999 dollars). Clearly, the City of San Antonio and the region as a whole, has a great deal at stake in protecting existing water resources contracts and in supporting other SAWS legislative initiatives.

## Section II – Legislative Endorsements

### *Arts Grant Funding*

#### **Proposal:**

To endorse the Texas Commission on the Arts' request for an additional \$5,000,000 in grant funds.

#### **Background:**

The Texas Commission on the Arts' Decentralization Program was established in 1997-98 to decentralize the decision making of the state's arts funding. Awards are based on per capita of each city. In the first years of implementation San Antonio was selected along with Austin, Dallas, El Paso, Fort Worth, NE Tarrant County and Houston.

#### **Financial Impact:**

Without support to maintain or increase the level of grant funds available, the financial support we receive under this program could be jeopardized.

The City receives \$159,231 under this program. The grant allows 15% for administration, which we use to partially support a monitor position. The balance of approximately \$139,000 is granted for arts and cultural activities provided by our local agencies. The award recipients leverage an average of \$8.00 of non-City government support for each Program dollar awarded.

## ***Crimes Against The Elderly***

### **Proposal:**

To amend Chapter 32 of the Penal Code to increase penalties by one degree for all thefts committed against persons 62 years of age or older.

### **Background:**

While many types of crimes involve people of all ages, a study by American Association of retired People (AARP) determined that a few categories (frauds and scams, purse snatching, pickpocketing and theft of checks delivered by mail) claim more older than younger victims. Experts estimates that 828,000 elderly individuals are victimized annually. Experts estimate that only 1 in 10 cases of elder abuse get reported. In addition, a survey of various financial institutions with elderly clients also revealed that 83% suspected that some of their elderly clients were victims of financial abuse.

Americans 62 and older are the fastest growing segment of the population in the nation as well as the state. In the next 20 years the baby boomers are expected to comprise approximately 25% of the population of Texas. Therefore, police agencies can expect for elder abuse to become a greater enforcement priority as the growing of our nation's population continues and greater numbers of the aged are preyed upon by others.

### **Financial Impact:**

There is no financial impact to the City's general fund.

### **Additional Information and Comments:**

The Crime Commission has involved itself in educating the senior public by having public hearings, seminars and workshops. The Commission believes that education along with stronger legislation will deter elderly of being the targets of fraud.

## ***Housing Authority Advisory Council***

### **Proposal:**

To support the creation of an Advisory Council, comprised of representatives from the Public Housing Authorities (PHA) throughout Texas, to the Texas Department of Housing and Community Affairs (TDHCA) to facilitate the formalization and expansion of a partnership between TDHCA and PHAs in Texas.

### **Background:**

Texas has 431 Public Housing Agencies, more than any other State in the nation and 68 Community Development Agencies. Texas Public Housing Agencies combined provide affordable housing to ½ million persons.

Texas Public Housing Agencies collectively serve 161,211 families through the Public Housing and the Housing Choice Voucher program (serving 66,222 and 94,989 families, respectively). Texas receives over \$1,165,842,501 dollars in housing and community development funds annually. These Public Housing Authorities represent the last and only opportunity for the very low-income families to receive assistance. To the extent that we can create new partnerships with state and local agencies, we will reach a level of success necessary to fill the needs of affordable housing.

In Texas, the number of low-income residents served is 498,286; the average annual income of public housing families is \$7,477 and \$7,566 for those participating in the Housing Voucher Assistance Program. There are a total of 66,222 public housing units and 94,989 housing vouchers.

To begin meeting these challenges, a strong working partnership needs to be forged between PHAs and TDHCA. There is a need to better understand each others' roles, responsibilities, needs, and operations. To accomplish this, we recommend that the state establish an Advisory Council to the TDHCA board on public housing. The committee should be small, represent a cross section of the state's PHAs and should be composed of PHA Executive Directors and Resident Commissioners. The committee's responsibility would be to review the appropriate TDHCA programs and make recommendations that would allow TDHCA programs and resources to better respond to the needs of PHAs and residents. With the proper charge, this partnership could result in:

- Serving as an information sharing exchange
- Sharing of expertise
- Better leveraging of limited resources
- Streamlining process to better serve clients
- When appropriate, evolve new legislative initiatives; and



- Developing of model programs for new housing production, preservation of existing stock and homeownership

**Financial Impact:**

There is no negative financial impact to the City of San Antonio or the Housing Authority. In fact, if the Advisory Council were formed, all Public Housing Authorities would benefit from the potential partnership and the creation of new and innovative affordable housing opportunities.

## ***Preservation of Economic Incentives***

### **Proposal:**

The City supports the preservation of economic development incentives including tax abatements, the Economic Development Act (HB 1200), Enterprise Zones, Strategic Investment Areas, Freeport Exemptions, Tax Increment Financing, franchise tax credits and access to job training funds.

### **Background:**

Texas has enjoyed a sustained period of economic growth throughout the 1990's and has generally outperformed the nation on average. However, Texas is now losing ground in its ability to compete for new and expanded facilities in the new economy. According to the 2002 Governor's Cup survey by *Site Selection* magazine, Texas is not in the top 10 for total capital investment, total new jobs created, total new and expanded facilities per million of population.

To reverse these troubling trends and be responsive to changing economic conditions, the State needs to revamp and strengthen its economic development efforts to be competitive in the global marketplace. The September 11<sup>th</sup> tragedy has contributed to a current economic downturn throughout the country and resulted in a heightened awareness and urgency for economic diversification and quality job development as a key strategy for the state's future prosperity.

The City of San Antonio supports the responsible use and constructive expansion of the conventional economic development tools available to local governments as a means to secure new and expanded business investment and employment that would not otherwise occur, thereby increasing the state and local tax base. When used appropriately, these tools produce a positive return on investment.

### **Financial Impact:**

Financial incentives are tools used by economic development professionals to encourage and facilitate business relocation, expansion, and retention. The use of property tax abatements, tax credits, enterprise zones, strategic investment areas, job training funds and the freeport exemption are critical business climate factors for competing against other states in attracting new investment and creating additional jobs for Texas and local communities. Although the majority of incentive dollars come from local not state sources, Texas invests or spends approximately \$220 million each year for economic development activities that are administered by a number of different state agencies. Specifically, the City of San Antonio utilizes these state programs to create jobs and stimulate business investment, which results in a positive economic impact to the community.

## ***Public Information Act – National Security Exception***

### **Proposal:**

To support legislation that would amend the Texas Public Information Act by creating an exception allowing governmental entities to withhold sensitive security information from public disclosure.

### **Background:**

In the aftermath of September 11<sup>th</sup>, governmental entities have focused much of their attention on the types of information they are required to disclose to the general public. The Texas Public Information Act promotes government accountability and effectiveness by requiring governmental entities to disclose information of public interest. Under current law, however, any person with criminal or malicious intent can make an open records request and obtain information that may be used to initiate a terrorist attack. Unless an exception applies to the information that is requested, a governmental body is required by state law to release that information.

To remedy this problem, the City of San Antonio is supporting legislation to create an exception in the Public Information Act that would allow municipalities to withhold sensitive security information. Such an exception would provide that certain documents relating to security plans, blueprints and diagrams of key facilities, as well as other sensitive information, is not subject to the Public Information Act. Several states already have similar exceptions to their “open government” laws or have enacted a security exception in the wake of the September 11<sup>th</sup> terrorist attacks. The intent of the legislation is not to keep Texas citizens in the dark about how their government operates, but to protect them from harm due to terrorist attacks. The goal is a law that will balance protection with the public’s right to know.

### **Financial Impact:**

One of the basic functions of local government is protecting the public’s safety. As a result of September 11<sup>th</sup>, the City of San Antonio has developed disaster mitigation and security measures to protect City operations and related infrastructure. The resources and manpower needed to protect these assets will be costly. Failure to take preventive steps could prove costly in human and dollar terms, a cost that would have to be borne by city taxpayers and could reach untold millions of dollars.

## ***Storm Water Runoff Fee***

### **Proposal:**

To expand the number of Texas Counties authorized to take action to comply with stormwater permitting program requirements under the National Discharge Elimination System (NPDES), including the collection of a fee for this purpose.

### **Background:**

In 1999, the Texas Legislature passed HB 732 allowing Harris County to take any necessary or proper action to comply with the requirements of the stormwater permitting program under the NPDES (Section 402, Federal Water Pollution Control Act; 33 U.S.C., Section 1342).

The NPDES Storm Water program is a comprehensive two-phased national program for addressing the non-agricultural sources of storm water discharge that could affect water quality. The Clean Water Act and NPDES requires:

- 1) developing and implementing controls to reduce pollutant discharge from any conveyance or conveyance system owned or operated by a county that is designed for collecting or conveying stormwater;
- 2) developing, implementing, and enforcing stormwater management guidelines, design criteria, or rules to reduce pollutant discharge into the conveyance or conveyance system;
- 3) assisting residents with the proper management of used oil and toxic materials, including holding household hazardous waste collection events; and
- 4) developing and producing educational tools and activities to reduce or lead to the reduction of pollutant discharge into stormwater.

The purpose of this legislation would be to give Bexar County the same authority as Harris County to take necessary actions to comply with NPDES requirements, including the collection of a fee and the ability to contract with another entity to provide this service.

### **Financial Impact:**

Bexar County expects that it will cost more than \$6 million dollars over the next five years to comply with NPDES requirements.

## ***Texas Economic Development Department Sunset/ Reauthorization***

### **Proposal:**

To support reauthorization of the Texas Department of Economic Development.

### **Background:**

To create quality jobs and a higher tax base, it's important that Texas continue to attract new companies and support existing industries. The City of San Antonio believes that this can best be accomplished by a state agency focused on proactively marketing the state's economic development advantages and working closely with local communities to promote lead generation and encouraging economic prosperity in all areas of the state. Specifically, the City supports the following concepts:

- Restructure the current Texas Department of Economic Development, and create in its place a smaller, more focused statewide economic development.
- The new agency would focus its efforts on marketing the state a) as a site for the creation of new primary jobs through expansion of existing businesses and attraction of new capital investment to Texas, and b) as a tourist destination.
- The tourism department of the current TxED would continue functioning as it does today and would continue to be funded by a hotel tax revenue stream.
- The business development department would be funded with \$3 - \$5 million for the biennium for a national marketing campaign, including direct marketing in the form of advertising, trade missions and related activities. The marketing efforts would be focused on specific goals and target industries. The effort would be collaborative with large cities and geographic regions of the state to complement local efforts.
- Create a high impact fund for incentives to large prospects with the determination on grant awards to be made by the Governor's office. The comptroller could administer the program, with the agency providing support to the Governor's office in developing applications and making grant decisions.

### **Financial Impact:**

NA

## ***Transportation Infrastructure Funding***

### **Proposal:**

To support legislative initiatives that will provide enhanced funding for infrastructure improvements on state and local roadways.

### **Background:**

Roadway conditions across the state of Texas have been worsening in recent years, due in large part to a growing population and reduced government spending for transportation-related programs. This situation is not expected to get any better in the coming years.

Forty years ago, transportation represented about one-third of the state budget. Today, it is less than ten percent. Texas currently ranks 47<sup>th</sup> in the nation in per capita spending for state highway expenditures, primarily because the state spends nearly 48 percent of its transportation-related revenues on non-transportation purposes, as compared to an average of 18 percent for the rest of the country.

The decline in spending and the diversion of transportation-related revenues to general government functions has resulted in a serious decline in the state's highways and bridges. In the early 90's, the pavement quality of almost 55 percent of Texas roadways were in the "desirable" range, compared to only 30-50 percent today. Significant portions of the state's highway system are approaching or even exceeding their design life and are in need of repair. Nineteen percent of all Texas bridges are functionally obsolete. And roughly 13,000 of the state's 49,000 bridges need to be rehabilitated or replaced.

The increasing truck traffic, as a result of the North American Free Trade Agreement (NAFTA), has been a significant contributor to the decline of pavement condition along trade corridors. Cities like San Antonio and Austin have suffered disproportionately because of the growing congestion posed by commercial truck traffic. It is estimated that NAFTA-related traffic will continue to grow at an annual rate of 17 percent per year for the coming decade. Exacerbating this situation is a booming migration that adds more than 30,000 people to the state's population each month.

To address the vital need for highway infrastructure and street improvements, the following initiatives should be actively supported by the City of San Antonio:

- *Support \$300 million in state funding to the Texas Mobility Fund* – when state voters approved the creation of the Fund in November 2001, they also approved SB 4 that provided annual dedications of state revenues. However, no funds were appropriated by the Texas Legislature to carry out the provisions set out in SB 4. Revenues from the Texas Mobility Fund can be used for the construction of state highways and toll roads.

- *Support legislation that would raise the state motor fuels tax by ten cents – it is estimated that a 10-cent increase in the motor fuels tax would yield \$1 billion to the state's Highway Fund (Fund 6). A motor fuels tax would have greater appeal to state lawmakers than other funding options because it would benefit every region of the state. For the City of San Antonio, its proportional share would be substantial, allowing the city to meet many of its street improvement needs.*
- *Support legislation allowing Regional Mobility Authorities (RMA) to raise revenue through local option elections by increasing sales taxes above those currently collected by the state – the 77<sup>th</sup> Legislature allowed for the creation of regional mobility authorities, but authorized that funding be raised through toll fees. Tolls are a limited revenue source that fall short of providing funds needed at the local level to make a substantial impact. By raising fuel and sales taxes, communities will be able to generate more revenue, giving them greater flexibility to address more of their local transportation needs.*
- *Support legislation that would permit Regional Mobility Authorities to issue revenue bonds and acquire property through eminent domain – regional authorities need flexibility to use a wide array of tools to stretch limited transportation funds while also incentivizing the building of vital transportation projects at a faster rate. By expand their authority over bonding and eminent domain, RMAs will be in a better position to design, construct, operate, maintain and finance transportation projects with greater efficiency and cost savings.*
- *Support legislation that would create a City Street Improvement Fund by raising the states motor fuels tax by 1/8-cent and remitting the revenue back to cities for street construction and repair – the current backlog of municipal street repair exceeds several billion dollars. Cities, who pay a major portion of the sales tax collected by the state, get very little of that money for transportation-related projects. This type of legislation would benefit cities like San Antonio that are suffering from roadway congestion due to increasing truck traffic related to NAFTA and a simultaneous growth in population.*

## **Financial Impact:**

Identified transportation needs in Texas far exceed the availability of state money to pay for them, according to a 1997 TxDOT study. Needs are projected at an average of over \$11 billion annually over the 1997-2006 time period. Based on projections made at that time, funding would only be available to meet 33% of the identified transportation system needs. A 2000 update to the study shows TxDOT is able to meet an estimated 36% of the identified needs. The City of San Antonio benefits from state participation in the construction and maintenance of a strong transportation infrastructure to support its economy and accommodate the mobility needs of its citizens.

## ***Veterans Discharge Papers Privacy Protection***

### **Proposal:**

To protect the privacy of veterans by making discharge papers a public record of a private nature.

### **Background:**

FORM DD214 "MILITARY DISCHARGE" is required to be filed in the office of county clerk. Now, veterans are claiming that anyone has access to their record, and therefore do potential harm to them and their rights and are requesting the Form DD214 be removed from the public record. While the former Article 1939a, Texas Revised Civil Statutes allowed only certain access and copying of the record, Article 1939a was replaced and enacted into the Texas Local Government Code in 1987; however, the former Article 1939a has not been codified into Section 192.002, Texas Local Government Code.

### **Financial Impact:**

There is no cost for recording or issuing copies, including certified copies, to a veteran or their guardian, dependents or heirs. However, to release this document as a public record with no restriction has the potential for legal action against the county clerk, the county and the state.



## ***Omnibus Policy***

### **Proposal:**

The City Council supports legislation that would clearly benefit the City and opposes legislation that would clearly be detrimental to the City's interests.

### **Background:**

Historically, a relatively small part of the City's legislative efforts have been devoted to passing beneficial bills that would enable cities to better perform their function. A far greater effort has been expended on preventing passage of detrimental bills. In many cases, these detrimental bills are attempts to change the fundamental authority granted to municipalities.

Due to the large quantity of bills introduced during the legislative process, it is not always feasible for the City Council to consider and adopt formal, timely statements of policy on each piece of proposed legislation. The City of San Antonio will endorse legislation that would clearly benefit the City and oppose all bills that meet one or more of the following criteria:

- Undermine the principles of self-government;
- Mandate increased cost to cities, including environmental mandates;
- Result in the loss of revenue to cities or change the authority of the City to generate revenues; and/or
- Result in diminishing the fundamental authority of cities to operate in a manner consistent with the best interest of the health, safety and welfare of the general public.

The adverse impact of each detrimental bill must be determined separately. This policy will assist the City's consultants in expediting measures to defeat detrimental legislation and play a proactive role in passing beneficial legislation.

### **Additional Information:**

This policy has assisted the City's Legislative Team in responding quickly to defeat detrimental legislation and support the enactment of beneficial measures.